

MINUTES OF THE BOARD OF FIRE WARDENS OF THE LONSDALE FIRE DISTRICT, INC. 224 Front Street, Lincoln, RI 02865

HELD TUESDAY, NOVEMBER 24, 2015 at Lincoln Housing Authority, 10 Franklin Street, Lincoln, RI 02865

PRESENT: Mr. Joseph Tashash, Mr. Michael Babbitt, Mr. John Picozzi and Mr. Kevin Farrell

ABSENT: Mr. Michael Skenyon

Mr. Joseph Tashash called the meeting to order at 7:03 p.m., Tuesday, November 24, 2015

MINUTES OF THE NOVEMBER 2015 MEETING:

The Pledge of Allegiance was recited

MONTHLY BILLS: Mike Babbitt presented the balances in the District checking accounts:

Coastway: \$3A32.32; Navigant: \$502.25; BVCU \$9.13, Checking \$391,813.80 Money Market \$859.11 for TOTAL of \$396,616.61

Outstanding Monthly Bills of \$72,844.08 were presented with supporting documentation for review and approval. The largest bill is approximately \$41,000 and represents healthcare payments that the Lonsdale District owes for the Districts share of health insurance premiums. Mr. Tashash motioned to approve the bills, Mr. Farrell seconded the motion and the motion passed unanimously.

A question was posed as to the current tax collection rate of the District and an attempt will be made to have the information available at the next meeting.

SECRETARY'S REPORT: Minutes were unavailable to be reviewed at the time of the meeting

PUBLIC COMMENT: A question was asked about where the District stands on presenting a budget and or future plans with aligning with another District. It was agreed that question would be answered as part of the Old Business portion of the agenda

FIRE CHIEF'S REPORT: No formal Fire Chief's report is available, however, Mike Babbitt did report that Saylesville did respond to 60 calls in the Lonsdale District in October and they were all Rescue calls.

OLD BUSINESS:

The Audit Requirement was discussed and Mike Babbitt indicated that an initial meeting with a CPA firm to discuss the audit requirements had to be rescheduled. It was also discussed that before engaging any firm at least a couple of firms should be reviewed to ensure price is competitive.

The level of the Audit that is being required was also discussed. Information from the State of RI is requesting that Lonsdale conduct a Tier I level audit primarily due to the "District's current financial condition". However, under the current requirements in place the District would only be required to conduct a Tier II level audit. This topic will be part of the discussions with the audit firms that will be interviewed.

A Draft budget was discussed that had the following assumptions:

- 1.) \$530,000 in collected taxes which estimates collecting 90% of the \$589,000 tax billed
- 2.) Personnel includes a Chief, Two (2) firefighters and call men
- 3.) Mike Babbitt prepared a pro forma schedule to cover the District which assumes Call men and volunteers are available
- 4.) Estimated personnel cost is \$424,000
- 5.) Additional fixed costs {e.g, Insurance, fuel, loan payment, maintenance, etc.) totaled an additional \$112,000.
- 6.) Allowing for a 1% in miscellaneous expenses (\$5,300) and a 5% reserve account (\$26,500) results in a pro forma deficit of \$37,000
- 7.) The above did not provide for accounting expenses related to the new audit requirements which initially could be \$10,000 or more but should reduce once an initial audit has been performed and a baseline is in place. The pro forma also did not allow for anticipated legal expenses that would be incurred as part of possible labor negotiations. Note that up \$20,000 for legal expenses was previously approved by a vote of the tax payers.
- 8.) Thus the initial pro forma deficit of \$37,000 would be increased by any accounting expenses and legal fees {if any) that the District would incur on an annual basis

End result is that on a pro forma basis a tax rate would be required at the annual meeting and possibly a supplemental tax request as well may need to be presented to the tax payers.

NEW BUSINESS:

A motion was made by Mr. Tashash and seconded by Mr. Farrell to add Compliance with USDA loan requirements to the New Business agenda. The motion passed unanimously.

USDA Loan Compliance: As a condition of the loan that the District has with the USDA, the District must provide the USDA with certain census data. Warden Picozzi agreed to handle this request with the USDA

Healthcare payments due from the District were previously discussed with the monthly bills presentation

Discussions with Saylesville will continue to determine what a tax rate would be for Lonsdale under a potentially combined District. Also discussions will take place to determine conditions for an extension of the current coverage agreement.

The Wardens adopted a new attendance policy for Wardens. Essentially if a Warden is absent from more than 3 meetings in a calendar year then the Board has the option to remove the Warden from the Board.

Board Resignation:

Prior to the end of the meeting Mr. Tashash announced his resignation from the Board so that he can attend to personal matters. The Board thanked Mr. Tashash for his service and he offered to serve as an auditor for the District should his service be required. Note that this does not relate to the CPA services that the District is seeking out but rather the auditor position that is required in the District By-Laws.

The Board noted that District is at a critical point and additional Board members are required and all taxpayers in the District are encouraged become involved.

Adjournment: Mr. Farrell made a motion to adjourn the meeting. The Motion was seconded by Mike Babbitt and the motion passed unanimously. The meeting adjourned at 8:40p.m.

RESPECTFULLY SUBMITTED

Kevin Farrell, SECRETARY